

Internal Control Assessment Credit Cards–Former Employees

Purpose

To ensure that proper internal controls exist regarding FSA's purchase card program for small purchases.

Background

In accordance with GSA Smart Pay regulations, FSA must have procedures to cancel employee credit cards immediately upon discontinued employment with FSA. Upon notification from FSA's Personnel Department of cardholder termination, cardholder privileges will be cancelled via phone or fax with Bank of America. The cardholder must surrender his/her Government credit card to FSA's Approval Official, Purchasing Department, or the Personnel Department at the exit interview. FSA cardholders can cease employment with FSA through voluntary separation, dismissal, retirement, or death. Also, FSA credit cards must be cancelled when a cardholder is no longer required to purchase items in support of FSA's mission.

Internal Control Standard

FSA must immediately terminate credit card privileges for its former employees.

Assessment of FSA's Compliance*

We examined a number of credit card statements and determined that some credit cards were still active although the employee had discontinued service with FSA. Upon sampling xx credit card statements, we discovered x% of former employee credit card accounts were still active.

* The actual testing phase including interviews and examination of sampled records has not yet occurred. This write-up is only a sample of what may be discovered during the testing phase of the FMFIA process.